

For Immediate Release: Thursday, February 4, 2010

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Kucinich on new NY AG fraud charges against Bank of America and SEC settling charges against BofA for misleading shareholders

Kucinich Subcommittee Investigation Found Possible Securities Law Violations by Bank of America in December 2009

Washington D.C. – Congressman Dennis Kucinich (D-OH) today made the following statement after New York Attorney General Andrew Cuomo announced civil fraud charges against former Bank of America CEO Ken Lewis and CFO Joseph Price for misleading shareholders, and the SEC announced it would settle similar charges. Kucinich's investigative subcommittee conducted a 9 month investigation into the matter and concluded in December 2009 that Bank of America had possibly violated securities law for failing to disclose to shareholders mounting losses at Merrill Lynch. Kucinich chairs the Domestic Policy Subcommittee of the House Oversight and Government Reform Committee.

"Attorney General Cuomo today stood up for shareholders, taxpayers and the rule of law in bringing charges against the individuals at Bank of America whose actions concealed from shareholders the mounting losses at Merrill Lynch, known before the shareholder vote on the merger. Attorney General Cuomo's enforcement action is a critical step towards ending the culture of corruption on Wall Street. Mr. Cuomo did the country a service today," said Kucinich.

Additionally, The Securities and Exchange Commission (SEC) today announced they are seeking court approval for a \$150 million settlement with Bank of America for failing to inform shareholders of accelerating losses, and for concealing \$3.57 billion in bonuses, at Merrill Lynch before a vote to approve the merger.

Kucinich's Domestic Policy Subcommittee played a significant part in prompting these enforcement actions. In 2009, Subcommittee investigators reviewed over 400,000 pages of documents and interviewed key players at Bank of America, Merrill Lynch and federal regulators. In conjunction with the Oversight and Government Reform Committee chaired Edolphus Towns, the Kucinich Subcommittee held five joint hearings on the matter. In December 2009, the Subcommittee issued a memorandum outlining its findings of securities law violations (see link to findings below). At the December 12 hearing, Kucinich requested SEC enforcement chief Robert Khuzami to expand the agency's investigation into Bank of

America to include the evidence unearthed by Subcommittee investigators.

Link to the Domestic Policy Subcommittee's Supplemental Memorandum finding potential violations of securities laws: http://oversight.house.gov/images/stories/Hearings/Committee_on_Oversight/121109_Boa-ML/121009_111th_DP_Supplemental_Memorandum_1201109.doc.pdf

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